

Daiwa Securities Group Inc.

2Q FY2020 Earnings Announcement

October 29, 2020

Daiwa Securities Group Inc.

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Highlights (1H/FY2020, YoY)

Increased in both net operating revenues and ordinary income YoY.

Consolidated earnings results	FY2020 1H	% Changes vs 1H/FY2019	FY2020 2Q	% Changes vs 1Q/FY2020
Net operating revenues	¥215.9 bn	+6.1%	¥110.4 bn	+4.8%
Ordinary income	¥45.1 bn	+62.4%	¥23.7 bn	+11.1%
Profit attributable to owners of parent	¥32.8 bn	-1.7%	¥15.2 bn	-13.1%

[Retail Division]

- Sales and distribution amount of products decreased affected by COVID-19 outbreak.
- Equity revenues rose led by multiple large equity underwriting deals in the second quarter.
- Contract AUM of wrap account service reached a record high (¥2.31 trillion*). *Includes Wholesale Division

[Wholesale Division]

- Global Markets recorded the highest ordinary income since disclosures of segment information started in FY2010.
- Ordinary income in overseas operations up 5.5 times YoY as revenues in all regions rose drastically.

[Asset Management Division]

- Expansion of real estate asset management business contributed to increases in revenues and ordinary income.

FY2020 interim dividend per share is 11 yen.

- FY2020 interim dividend per share: 11 yen (Dividend payout ratio: 51.0%)

Summary (2Q/FY2020, QoQ)

※The following shows the percentage change from the previous quarter.

2Q FY2020 Net operating revenues: ¥110.4 bn (+4.8%)

- Revenues in Retail Division increased owing to multiple large equity underwriting deals.
- Revenues in Wholesale Division decreased. Although revenues from equity underwriting and M&A in Global Investment Banking rose, FICC revenues in Global Markets declined.

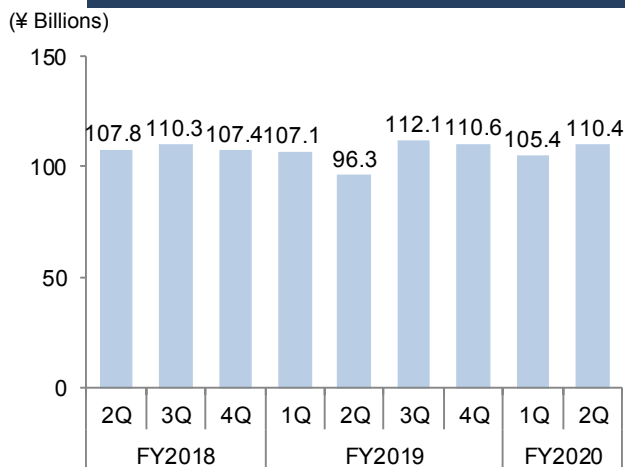
2Q FY2020 Ordinary income: ¥23.7 bn (+11.1%)

- SG&A increased 2.2% to ¥90.7 bn as trading related expenses and personnel expenses rose.

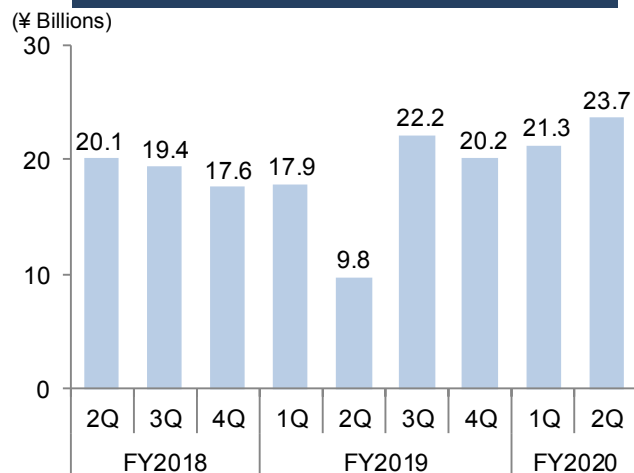
2Q FY2020 Profit attributable to owners of parent: ¥15.2 bn (-13.1%)

- Annualized ROE: 5.0% BPS: ¥810.92

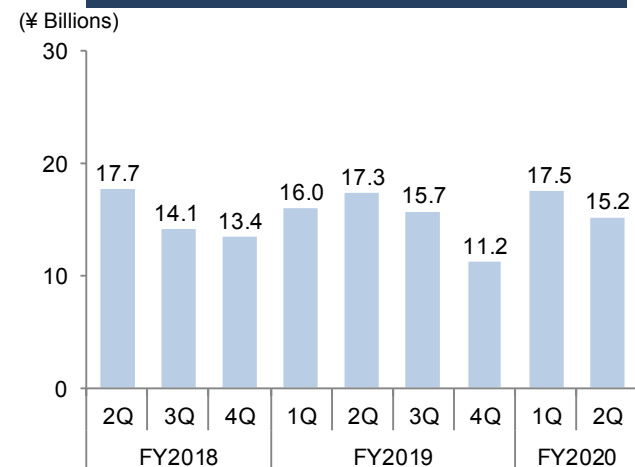
Net Operating Revenues



Ordinary Income



Profit Attributable to Owners of Parent



Financial Summary

(¥ Millions)	FY2019			FY2020		% Change vs 1Q/FY20	% Change vs 2Q/FY19	FY2019 1H	FY2020 1H	% Change vs 1H/FY19	FY2019
	2Q	3Q	4Q	1Q	2Q						
Operating revenues	159,666	170,672	160,606	128,612	128,568	-0.0%	-19.5%	341,007	257,180	-24.6%	672,287
Net operating revenues	96,323	112,191	110,621	105,445	110,488	4.8%	14.7%	203,446	215,934	6.1%	426,259
SG&A	89,836	93,209	94,216	88,833	90,768	2.2%	1.0%	184,545	179,602	-2.7%	371,970
Ordinary income	9,861	22,239	20,259	21,370	23,750	11.1%	140.8%	27,784	45,120	62.4%	70,283
Profit (loss) attributable to owners of parent	17,316	15,707	11,255	17,552	15,252	-13.1%	-11.9%	33,383	32,804	-1.7%	60,346
Total assets	22,809,247	24,409,452	23,822,099	25,657,575	25,583,609			22,809,247	25,583,609		23,822,099
Net assets	1,285,618	1,287,164	1,257,766	1,264,195	1,285,466			1,285,618	1,285,466		1,257,766
Shareholders' equity*	1,239,187	1,239,995	1,210,014	1,217,225	1,235,097			1,239,187	1,235,097		1,210,014
EPS (¥)	11.09	10.31	7.41	11.55	10.01			21.34	21.56		39.11
BPS (¥)	798.65	816.44	796.33	800.39	810.92			798.65	810.92		796.33
ROE (Annualized)	5.6%	5.1%	3.7%	5.8%	5.0%			5.4%	5.4%		4.9%

* Shareholders' equity = Owners' equity + Accumulated other comprehensive income

FY2020 Interim Dividend
11 yen

Segment Summary

(¥ Millions)

Net operating revenues	FY2019			FY2020		% Change vs 1Q/FY20	% Change vs 2Q/FY19	FY2019	FY2020	% Change vs 1H/FY19	FY2019
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Retail	40,763	41,322	41,248	35,148	40,703	15.8%	-0.1%	83,859	75,851	-9.5%	166,430
Wholesale	39,852	48,689	44,327	51,509	47,595	-7.6%	19.4%	79,272	99,105	25.0%	172,289
<i>Global Markets</i>	27,860	35,021	31,109	45,271	33,247	-26.6%	19.3%	55,170	78,518	42.3%	121,301
<i>Global Investment Banking</i>	11,992	13,667	13,218	6,238	14,348	130.0%	19.6%	24,101	20,586	-14.6%	50,988
Asset Management	11,627	12,664	12,446	12,784	12,170	-4.8%	4.7%	22,980	24,955	8.6%	48,091
Investments	-5,550	2,151	4,218	1,028	3,645	254.4%	-	-3,867	4,674	-	2,502
Other/Adjustments	9,630	7,362	8,379	4,974	6,373	-	-	21,201	11,348	-	36,943
Consolidated total	96,323	112,191	110,621	105,445	110,488	4.8%	14.7%	203,446	215,934	6.1%	426,259

Ordinary income	FY2019			FY2020		% Change vs 1Q/FY20	% Change vs 2Q/FY19	FY2019	FY2020	% Change vs 1H/FY19	FY2019
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Retail	1,133	1,039	1,552	-893	2,660	-	134.7%	3,813	1,766	-53.7%	6,405
Wholesale	8,382	14,834	9,245	18,476	14,187	-23.2%	69.2%	13,954	32,663	134.1%	38,034
<i>Global Markets</i>	5,512	11,319	6,818	20,574	8,995	-56.3%	63.2%	10,053	29,569	194.1%	28,191
<i>Global Investment Banking</i>	2,802	3,324	2,279	-2,060	4,769	-	70.2%	3,726	2,708	-27.3%	9,330
Asset Management	6,560	7,038	6,771	7,571	7,459	-1.5%	13.7%	12,769	15,031	17.7%	26,580
Investments	-6,588	1,581	3,203	117	2,228	19.0x	-	-5,663	2,346	-	-877
Other/Adjustments	373	-2,254	-513	-3,901	-2,786	-	-	2,909	-6,687	-	140
Consolidated total	9,861	22,239	20,259	21,370	23,750	11.1%	140.8%	27,784	45,120	62.4%	70,283

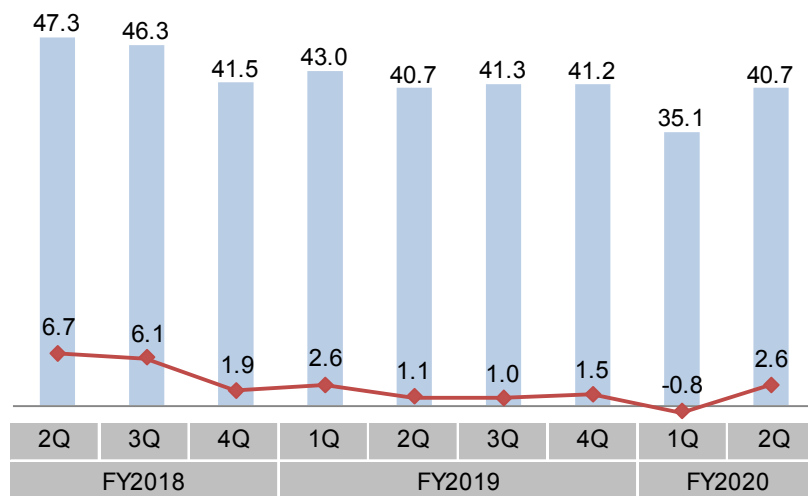
※Figures calculated based on managerial accounting of each Group companies. Equity in earnings of affiliates is included in each respective segment.

Segment Summary

■ Net operating revenues ◆ Ordinary income

Retail Division

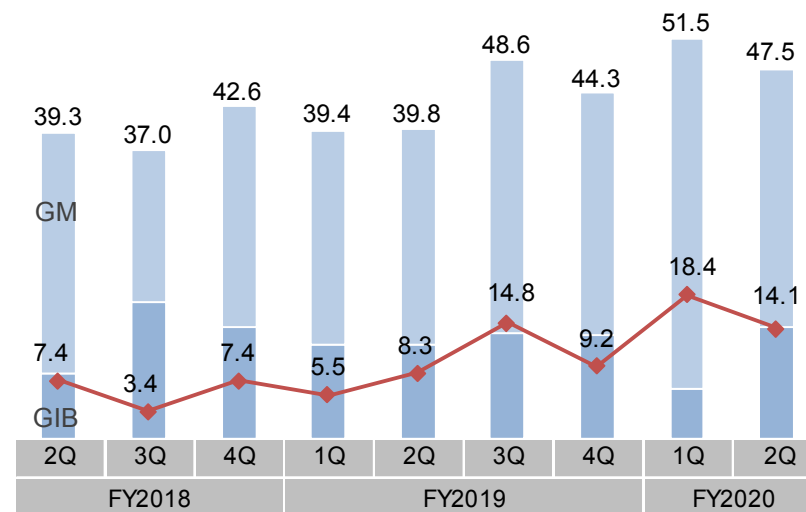
(¥ Billions)



Wholesale Division

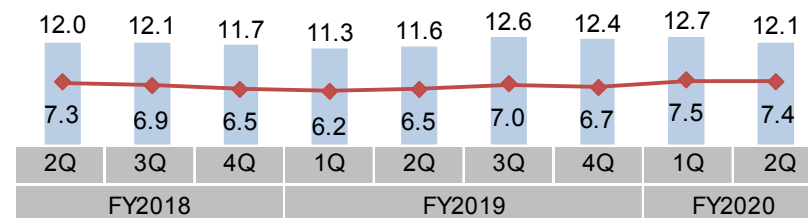
(¥ Billions)

- Global Markets (Net operating revenues)
- Global Investment Banking (Net operating revenues)



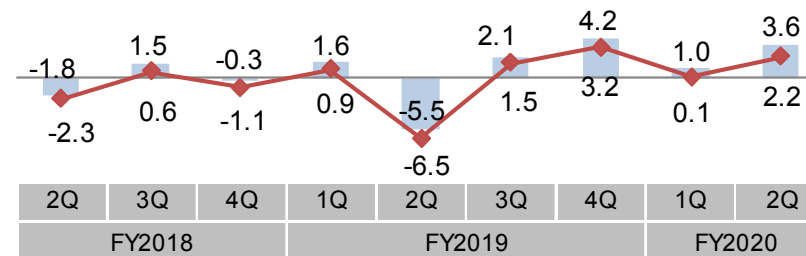
Asset Management Division

(¥ Billions)



Investment Division

(¥ Billions)



Consolidated B/S Summary

Consolidated Balance Sheet (September 30, 2020)

(¥ Billions)

Current assets			Current liabilities		
Cash and deposits	4,200	(235)	Trading products	5,034	(-327)
Short-term investment securities	947	(74)	Trading securities and other	1,846	(40)
Trading products	9,521	(1,494)	<i>Stocks, Convertible bonds</i>	145	(31)
Trading securities and other	6,180	(1,879)	<i>Bonds</i>	1,564	(-88)
<i>Stocks, Convertible bonds</i>	125	(-164)	<i>Other</i>	137	(98)
<i>Bonds</i>	4,954	(2,202)	Derivatives transactions	3,187	(-368)
<i>Beneficiary certificates</i>	311	(213)	Loans payable secured by securities	8,923	(1,724)
<i>Other</i>	789	(-371)	Deposits for banking business	4,029	(-7)
Derivatives transactions	3,341	(-385)	Short-term loans payable	1,584	(308)
Operational investment securities	243	(42)	Current portion of bonds	196	(-81)
(after allowance for possible investment losses)					
Loans secured by securities	6,593	(-91)			
Non-current assets			Long-term liabilities		
Property, plant and equipment	309	(-0)	Bonds payable	1,434	(54)
Intangible assets	120	(-3)	Long-term loans payable	1,206	(23)
Investments and other assets	526	(-16)	Total liabilities	24,298	(1,733)
Listed stocks	100	(1)	Net assets	1,285	(27)
Unlisted stocks	28	(0)	Owners' equity	1,222	(20)
Affiliated company stocks, etc.	230	(33)	Accumulated other comprehensive income	12	(4)
Other	166	(-51)	Non-controlling interests	41	(2)
Total Assets	25,583	(1,761)	Total liabilities and net assets	25,583	(1,761)

Total assets: ¥25.58 tn

Net assets: ¥1.28 tn

Shareholders' equity:** ¥1.23 tn

- 83.1% of total assets have high liquidity*.

* Cash and deposits + Short-term investment securities + Trading products + Loans secured by securities

- Shareholders' equity** increased by ¥25.0 billion from March 31, 2020.

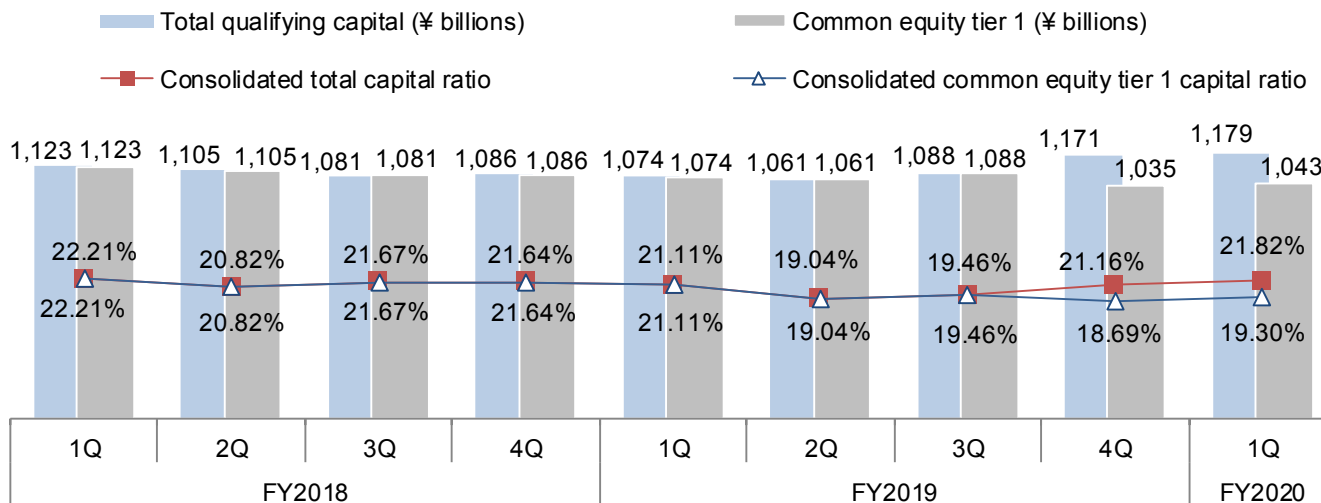
** Shareholders' equity = Owners' equity + Accumulated other comprehensive income

※Figures in parentheses indicate changes from March 31, 2020

Financial Management (Regulatory Capital & Regulatory Liquidity)



Consolidated Capital Adequacy Ratio



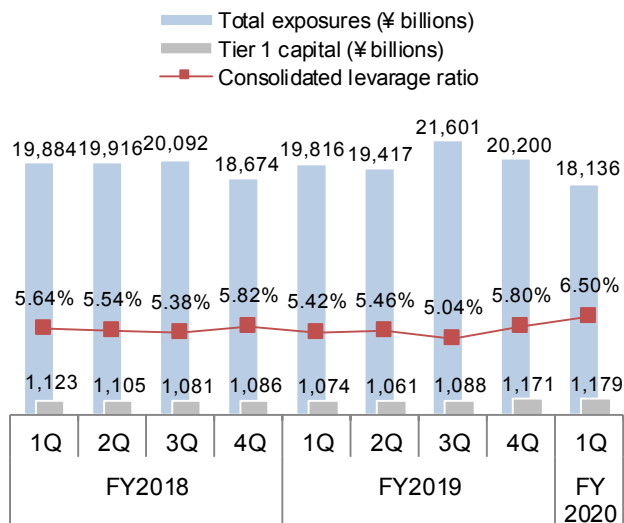
【Regulatory Capital (Basel III)】

(As at June 30, 2020)

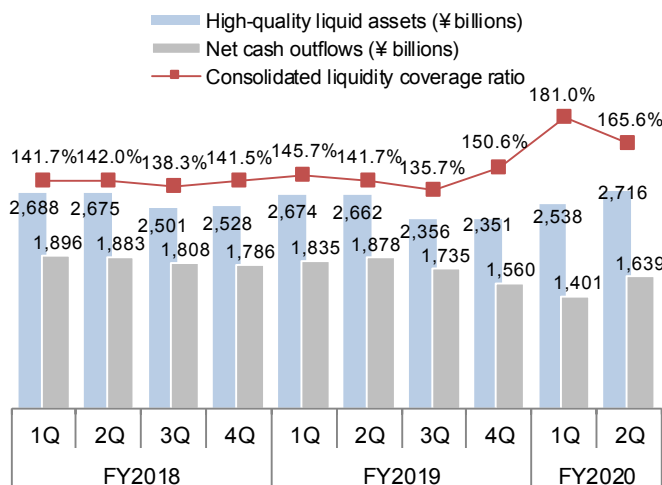
- Consolidated Total Capital Ratio : 21.82%
- Consolidated Tier 1 Capital Ratio : 21.82%
- Consolidated Common Equity Tier 1 Capital Ratio : 19.30%
- Consolidated Leverage Ratio : 6.50%

※ Figures are as at the end of each quarter.

Consolidated Leverage Ratio



Consolidated Liquidity Coverage Ratio



【Regulatory Liquidity (Basel III)】

(Daily average July – Sept. 2020)

- Consolidated Liquidity Coverage Ratio : 165.6%

P/L Summary

(¥ Millions)	FY2019			FY2020		% Change vs 1Q/FY20	% Change vs 2Q/FY19	FY2019	FY2020	% Change vs 1H/FY19	FY2019
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Operating revenues	159,666	170,672	160,606	128,612	128,568	-0.0%	-19.5%	341,007	257,180	-24.6%	672,287
Commission received	64,810	68,448	68,352	57,749	70,809	22.6%	9.3%	129,773	128,559	-0.9%	266,574
Net trading income	22,620	24,868	18,321	32,056	22,832	-28.8%	0.9%	50,613	54,888	8.4%	93,802
Net gain (loss) on private equity	-6,241	1,563	3,748	641	3,210	400.6%	-	-5,297	3,851	-	14
Financial revenue	67,076	62,713	55,439	26,516	20,396	-23.1%	-69.6%	139,969	46,913	-66.5%	258,122
Other operating revenue	11,400	13,079	14,745	11,648	11,319	-2.8%	-0.7%	25,948	22,968	-11.5%	53,772
Financial expenses	57,492	49,216	37,432	15,582	11,536	-26.0%	-79.9%	123,267	27,118	-78.0%	209,916
Other operating expenses	5,850	9,264	12,552	7,583	6,543	-13.7%	11.9%	14,293	14,127	-1.2%	36,110
Net operating revenues	96,323	112,191	110,621	105,445	110,488	4.8%	14.7%	203,446	215,934	6.1%	426,259
SG&A	89,836	93,209	94,216	88,833	90,768	2.2%	1.0%	184,545	179,602	-2.7%	371,970
Operating income	6,486	18,982	16,405	16,612	19,719	18.7%	204.0%	18,900	36,331	92.2%	54,288
Non-operating income	3,375	3,256	3,854	4,758	4,030	-15.3%	19.4%	8,883	8,788	-1.1%	15,994
Ordinary income/loss	9,861	22,239	20,259	21,370	23,750	11.1%	140.8%	27,784	45,120	62.4%	70,283
Extraordinary income/loss	11,600	1,388	-362	2,810	-764	-	-	13,519	2,046	-84.9%	14,545
Income before income taxes	21,461	23,627	19,897	24,181	22,985	-4.9%	7.1%	41,303	47,167	14.2%	84,828
Total income taxes	4,157	7,471	8,190	6,277	7,417	18.2%	78.4%	7,900	13,694	73.3%	23,563
Profit (loss) attributable to owners of parent	17,316	15,707	11,255	17,552	15,252	-13.1%	-11.9%	33,383	32,804	-1.7%	60,346

- Commission received increased (+22.6%).
 - Brokerage commission* was ¥16.4 billion (-4.1%).
 - Underwriting and secondary offering commissions* rose to ¥14.4 billion (+226.0%) led by large equity underwriting deals.
 - Distribution commission* was ¥4.2 billion (+3.4%).
 - M&A related commission* was ¥5.2 billion (+92.7%).
- * Breakdown of total commission received (See p.23)
- Net trading income decreased (-28.8%) as FICC revenues dropped.

Breakdown of SG&A

(¥ Millions)	FY2019			FY2020		% Change vs 1Q/FY20	% Change vs 2Q/FY19	FY2019	FY2020	% Change vs 1H/FY19	FY2019
	2Q	3Q	4Q	1Q	2Q			1H	1H		
SG&A	89,836	93,209	94,216	88,833	90,768	2.2%	1.0%	184,545	179,602	-2.7%	371,970
Trading related expenses	16,761	17,391	16,931	13,289	14,414	8.5%	-14.0%	34,568	27,704	-19.9%	68,891
Personnel expenses	43,671	46,527	46,897	44,979	46,647	3.7%	6.8%	90,607	91,627	1.1%	184,032
Real estate expenses	8,964	9,155	9,418	9,409	9,442	0.3%	5.3%	18,072	18,851	4.3%	36,647
Office cost	6,298	6,653	6,585	6,144	5,779	-5.9%	-8.2%	12,730	11,924	-6.3%	25,969
Depreciation	7,664	7,605	7,795	8,404	8,441	0.4%	10.1%	15,412	16,845	9.3%	30,813
Taxes and dues	2,629	2,585	2,753	2,762	2,587	-6.3%	-1.6%	5,189	5,349	3.1%	10,529
Other	3,846	3,289	3,833	3,842	3,456	-10.1%	-10.1%	7,964	7,298	-8.4%	15,088

- SG&A increased (+2.2%).
- Trading related expenses rose (+8.5%) as advertising and promotion expenses related to sales promotion and commission related to trading volume increased.
- Personnel expenses increased (+3.7%) due to a rise in earnings-linked bonuses.
- Office cost decreased (-5.9%) due to a drop in non-system related office expenses.

Cost Structure

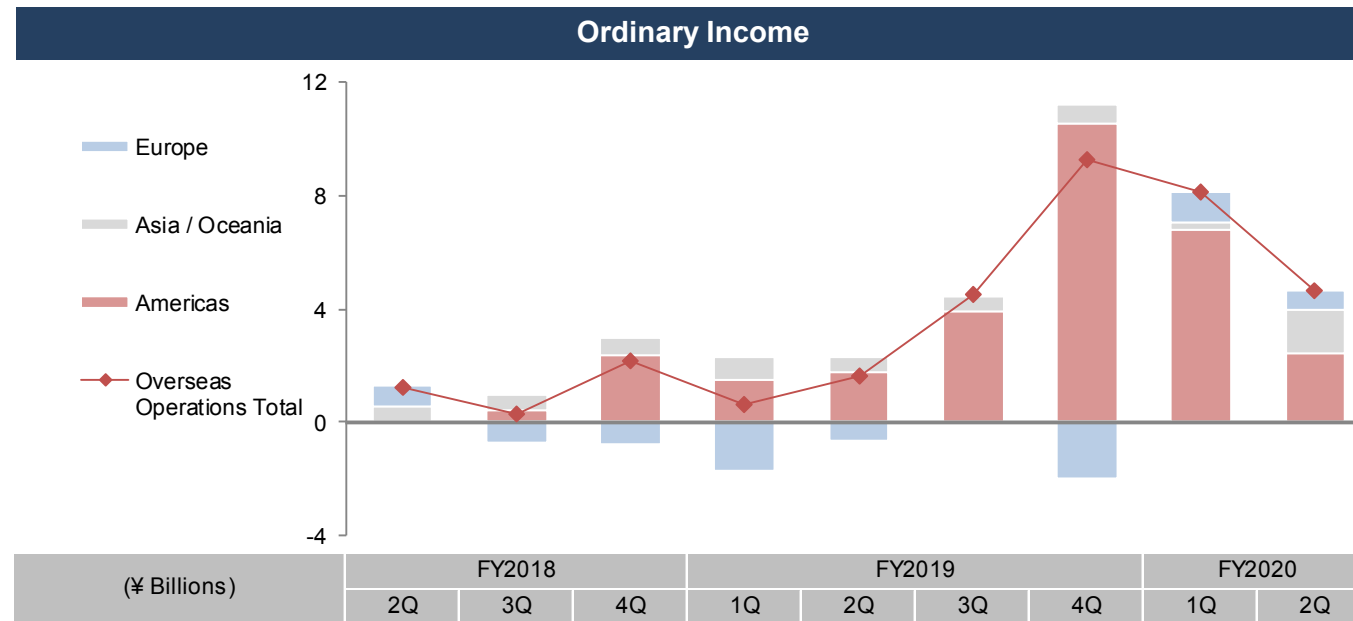
(¥ Billions)	FY2018				FY2019					FY2020	
	2Q	3Q	4Q	1Q-4Q	1Q	2Q	3Q	4Q	1Q-4Q	1Q	2Q
Total SG&A	92.3	94.1	94.0	373.9	94.7	89.8	93.2	94.2	371.9	88.8	90.7
Variable costs	35.2	36.7	36.8	145.5	36.6	32.2	35.2	35.4	139.5	30.4	32.2
Trading related expenses	17.9	18.5	17.5	71.9	17.8	16.7	17.3	16.9	68.8	13.2	14.4
<i>Advertising and promotion expenses</i>	3.3	3.6	3.2	12.9	2.5	3.1	3.0	3.2	12.0	1.3	1.9
Bonus and others	10.6	11.7	12.5	47.2	12.3	9.2	12.1	12.4	46.2	11.2	12.4
Overtime, part-time	2.3	2.4	2.4	9.7	2.3	2.1	2.2	2.1	8.9	1.9	1.9
Fixed costs	57.0	57.3	57.2	228.3	58.0	57.6	57.9	58.8	232.4	58.4	58.5
Personnel expenses	32.0	31.9	31.9	127.9	32.0	32.1	32.0	32.2	128.4	31.6	32.1
Real estate expenses	9.2	9.3	9.6	37.3	9.1	8.9	9.1	9.4	36.6	9.4	9.4
Depreciation	6.2	6.4	6.3	25.3	7.7	7.6	7.6	7.7	30.8	8.4	8.4
Office expenses	6.2	6.6	6.1	25.2	6.1	6.0	6.3	6.3	24.7	5.9	5.5
Taxes and dues	2.7	2.6	2.7	10.7	2.5	2.6	2.5	2.7	10.5	2.7	2.5

Ordinary Income of Overseas Operations

(¥ Millions)	FY2019			FY2020		% Change vs 1Q/FY20	% Change vs 2Q/FY19	FY2019	FY2020	% Change vs 1H/FY19	FY2019
	2Q	3Q	4Q	1Q	2Q						
Overseas Operations Total	1,651	4,486	9,226	8,112	4,610	-43.2%	179.2%	2,279	12,723	458.3%	15,992
Europe	-627	57	-1,981	1,043	613	-41.2%	-	-2,330	1,656	-	-4,253
Asia / Oceania	526	550	693	297	1,537	417.0%	192.2%	1,357	1,834	35.2%	2,601
Americas	1,752	3,878	10,514	6,771	2,459	-63.7%	40.3%	3,251	9,231	183.9%	17,644

Overseas operations stayed in the black for 18 consecutive quarters.

- In Europe, ordinary income dropped as FICC revenues decreased even though revenues from equity underwriting and M&A business increased.
- In Asia / Oceania, ordinary income reached a record high on quarterly basis driven by primary and secondary revenues and income of equity method affiliates, SSI.
- In Americas, ordinary income decreased due to a decline in FICC revenues.

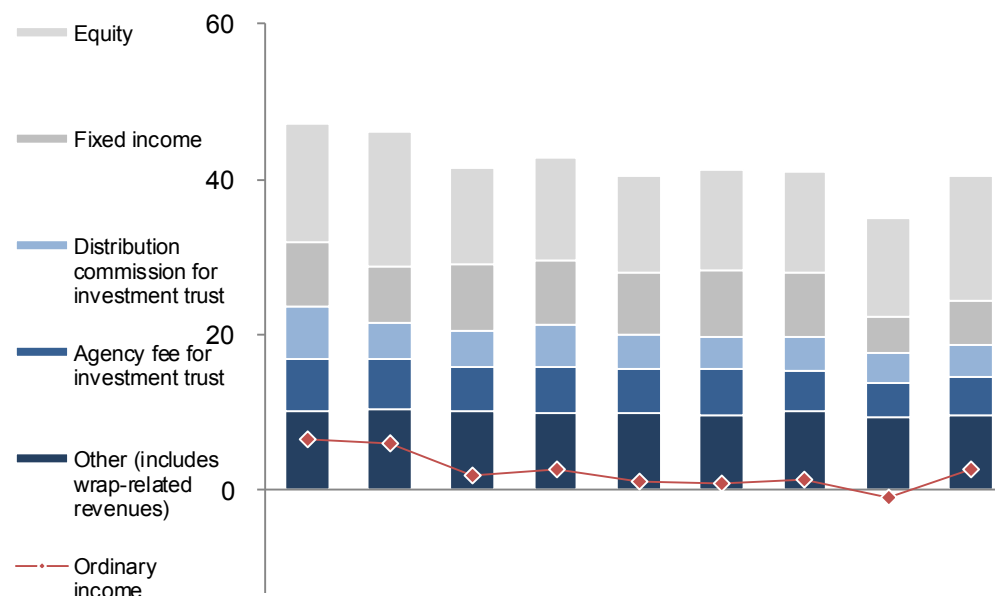


Retail Division

(¥ Millions)	FY2020 2Q	% Change vs 1Q/FY20	FY2020 1H	% Change vs 1H/FY19
Net operating revenues	40,703	15.8%	75,851	-9.5%
Ordinary income	2,660	-	1,766	-53.7%

- Equity revenues rose from an increase in sales commission from equity underwriting owing to large equity underwriting deals including SoftBank.
- Fixed income revenues increased as foreign bond sales rose.
- Distribution commission for investment trust increased. Investment trust agency fee rose as average asset under custody recovered.
- Other revenues increased from a rise in investment advisory and account management fees related to wrap business.

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	15.2	17.4	12.3	13.2	12.4	12.7	13.1	12.5	16.1
Fixed income	8.3	7.3	8.6	8.4	8.0	8.7	8.1	4.6	5.5
Distribution commission for investment trust	6.6	4.6	4.5	5.4	4.5	4.2	4.4	4.0	4.1
Agency fee for investment trust	6.8	6.4	5.9	5.9	5.7	5.7	5.2	4.5	4.9
Other (includes wrap-related revenues)	10.2	10.5	10.1	9.9	9.9	9.8	10.2	9.3	9.8
Net operating revenues	47.3	46.3	41.5	43.0	40.7	41.3	41.2	35.1	40.7
Ordinary income	6.7	6.1	1.9	2.6	1.1	1.0	1.5	-0.8	2.6

Retail Division Daiwa Securities

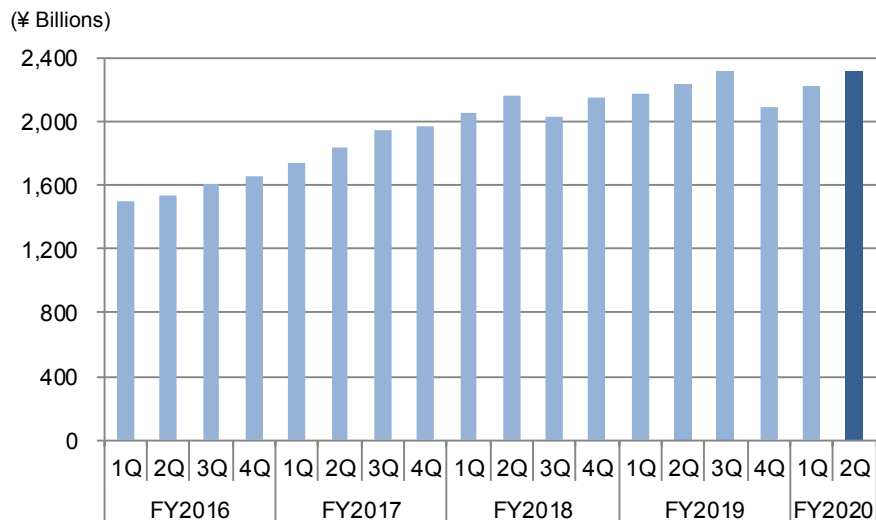
【Equity Distribution】

- Equity distribution amount rose from SoftBank global PO, the largest PO deal in this fiscal year, which also contributed to increases in newly opened accounts and net assets inflow.

【Wrap Account Service】

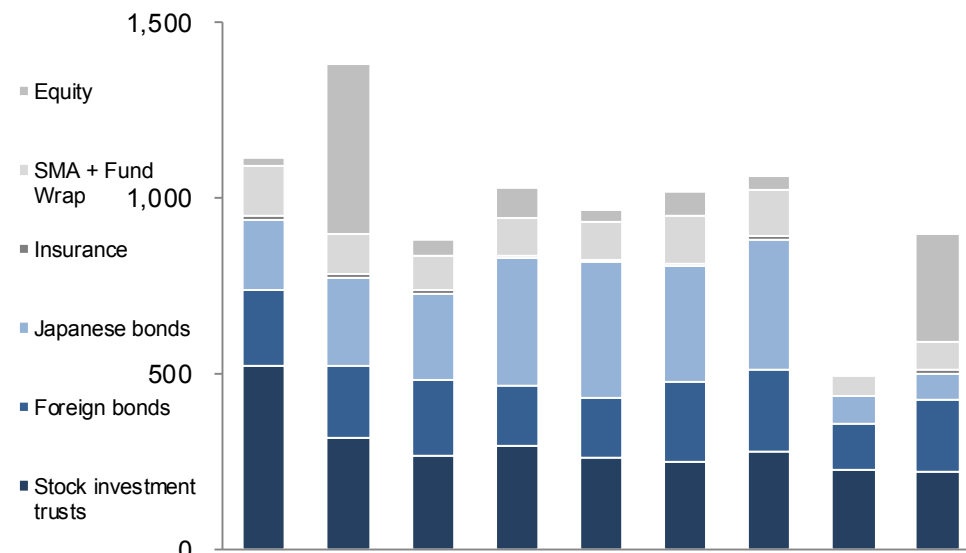
- Contract AUM hit a record high of ¥2.31 trillion* at the end of September led by an increase in contract amount and strong performance in the stock market.

Contract AUM of Wrap Account Service



*Includes contracts AUM of Wholesale Division.

Sales and Distribution Amount by Product



Sales and Distribution Amount (¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity*	23.9	486.9	46.7	88.0	35.4	65.7	40.1	1.1	307.0
SMA + Fund Wrap**	142.6	113.5	97.5	105.1	109.8	135.3	133.4	56.9	81.8
Insurance***	10.4	9.8	9.8	8.6	7.5	7.8	8.6	2.4	6.9
Japanese bonds	203.4	248.4	241.9	361.8	385.6	328.6	369.7	76.6	73.8
Foreign bonds****	212.5	203.4	218.9	172.7	171.2	228.0	233.6	133.5	207.8
Stock investment trusts*****	524.6	321.0	267.8	294.8	260.1	251.0	279.2	225.5	221.2

*Distribution amount from equity underwriting

**Total contract amount of fund wrap and SMA

***Insurance include pension insurance, life insurance and business insurance

****Foreign bonds include yen-denominated foreign bonds

*****Stock investment trusts include switching transactions between funds

Wholesale Division Global Markets

(¥ Millions)	FY2020 2Q	% Change vs 1Q/FY20	FY2020 1H	% Change vs 1H/FY19
Net operating revenues	33,247	-26.6%	78,518	42.3%
Ordinary income	8,995	-56.3%	29,569	194.1%

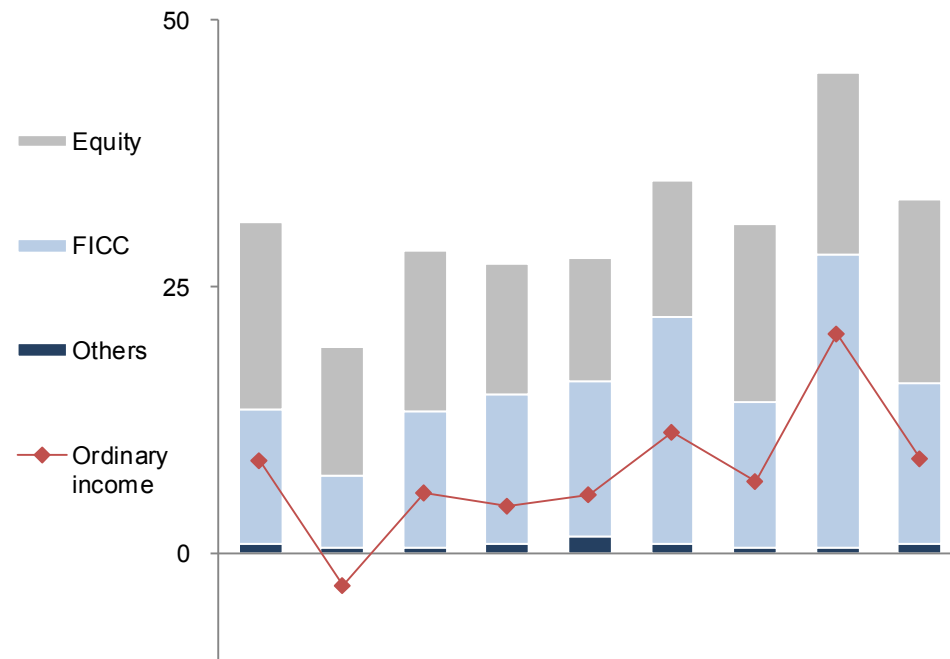
【Equity】

- Equity revenues remained flat. Customer order flows in Japanese equities dropped, while foreign equities' customer order flows, particularly in high-tech stocks, remained firm.

【FICC*】

- FICC revenues decreased both in Japan and overseas.
- Although customer order flows in both structured bonds and derivatives recovered, trading remained stagnant in domestic FICC.
- Overseas FICC revenues dropped due to a decline in customer order flows led by lower volatility.

Net Operating Revenues and Ordinary Income



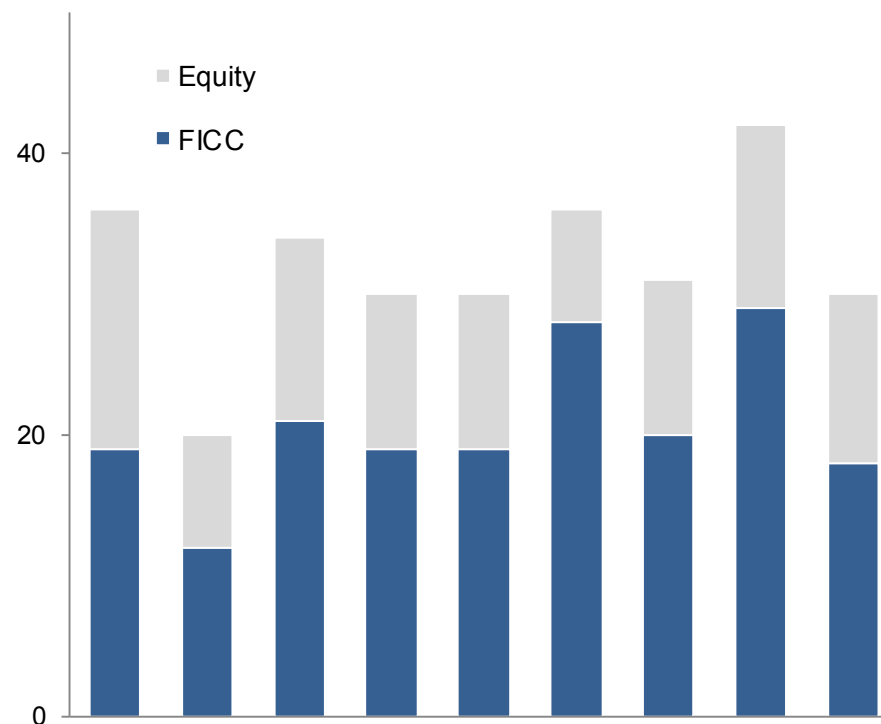
(¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	17.6	12.2	15.1	12.3	11.6	12.7	16.8	17.1	17.1
FICC*	12.6	6.6	12.6	14.0	14.5	21.3	13.5	27.4	15.2
Others	0.8	0.6	0.6	0.8	1.6	0.9	0.6	0.6	0.8
Net operating revenues	31.1	19.5	28.4	27.3	27.8	35.0	31.1	45.2	33.2
Ordinary income	8.7	-3.1	5.6	4.5	5.5	11.3	6.8	20.5	8.9

*FICC: Fixed Income, Currency and Commodities

【Managerial accounting basis】

(¥ Billions)	FY2020 2Q	% Change vs 1Q/FY20	FY2020 1H	% Change vs 1H/FY19
Equity	12	-7.7%	25	13.6%
FICC	18	-37.9%	47	23.7%
Total	30	-28.6%	72	20.0%

**Consolidated Trading Gain / Loss
(Managerial Accounting Basis)**



(¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	17	8	13	11	11	8	11	13	12
FICC	19	12	21	19	19	28	20	29	18
Total	36	20	34	30	30	36	31	42	30

<Reference>

Financial accounting basis:
Net gain/loss on trading + Net financial income

(¥ Billions)	FY2020 2Q	% Change vs 1Q/FY20	FY2020 1H	% Change vs 1H/FY19
Equity	11.8	6.7%	22.9	13.0%
Bond and forex	10.9	-47.6%	31.8	5.4%
Net financial income	8.8	-19.0%	19.7	18.5%
Total	31.6	-26.3%	74.6	10.9%

Wholesale Division Global Investment Banking



(¥ Millions)	FY2020 2Q	% Change vs 1Q/FY20	FY2020 1H	% Change vs 1H/FY19
Net operating revenues	14,348	130.0%	20,586	-14.6%
Ordinary income	4,769	-	2,708	-27.3%

【Equity】

- Lead managed multiple deals including SoftBank global PO, the largest PO deal in this fiscal year, resulting in revenue rise.

<Selected lead managed deals>

		<Offering size>
SoftBank Group Corp.	Global PO	¥1.23 tn
Asahi Group Holdings, Ltd.	Global PO	¥163.5 bn
Mitsui Fudosan Logistics Park Inc.	Global PO	¥49.8 bn
YUKIGUNI MAITAKE CO., LTD.	IPO	¥44.7 bn
BASE Co., Ltd.	International Offering (ABB*)	¥13.0 bn

【Debt】

- Managed a number of subordinated bonds, FILP agency bonds, and Samurai bonds.

<Selected lead managed deals>

		<Offering size>
Nippon Life Insurance Co. Sub. Loan (30yrs)	Subordinated Bond	¥130.0 bn
Sumitomo Dainippon Pharma Co., Ltd. (30yrs)	Subordinated Bond	¥120.0 bn
Republic of Hungary (3/5/7/10yrs)	Samurai Bond/Green Bond	¥62.7 bn
JBIC (3yrs)	Benchmark Dollar Bond	USD 1.5 bn
JFC (2/4yrs)	FILP Agency Bond	¥190.0 bn
DBJ (3/5/10/50yrs)	FILP Agency Bond	¥115.0 bn
CAF (5yrs)	Samurai Bond (for individuals)	¥17.2 bn

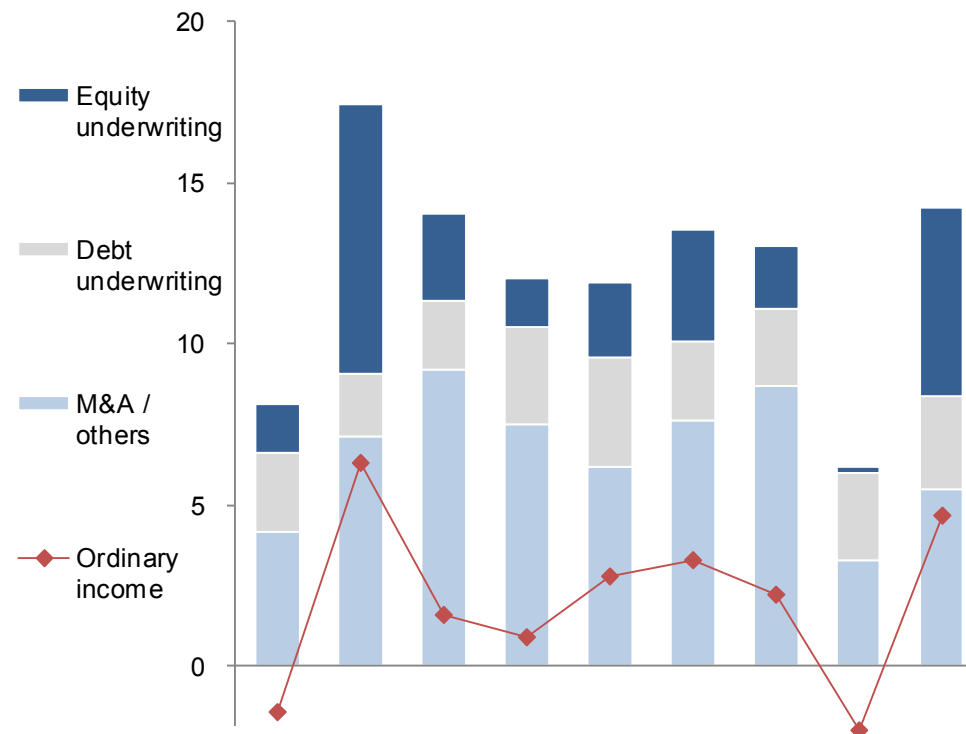
【M&A】

- Managed deals utilizing global M&A network.

<Selected deals>

Capital and business alliance between NEC Corporation and NIPPON TELEGRAPH AND TELEPHONE CORPORATION
 Making Kawasumi Laboratories, Incorporated a wholly owned subsidiary of Sumitomo Bakelite Co., Ltd.
 Sale of Carbone Savoie (France) to TOKAI CARBON CO., LTD. by Alandia (France)
 Share Acquisition of FASHIONPHILE (US) by NewSpring Growth (US)
 Share Acquisition of SUN Mobility (India) by Bosch (Germany)

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity underwriting	1.5	8.3	2.7	1.5	2.3	3.4	1.9	0.2	5.8
Debt underwriting	2.4	2.0	2.1	3.0	3.4	2.5	2.4	2.7	2.9
M&A / others	4.2	7.1	9.2	7.5	6.2	7.6	8.7	3.3	5.5
Net operating revenues	8.2	17.5	14.2	12.1	11.9	13.6	13.2	6.2	14.3
Ordinary income	-1.4	6.3	1.6	0.9	2.8	3.3	2.2	-2.0	4.7

*ABB: Accelerated Book Building

Asset Management Division

(¥ Millions)	FY2020 2Q	% Change vs 1Q/FY20	FY2020 1H	% Change vs 1H/FY19
Net operating revenues	12,170	-4.8%	24,955	8.6%
Ordinary income	7,459	-1.5%	15,031	17.7%

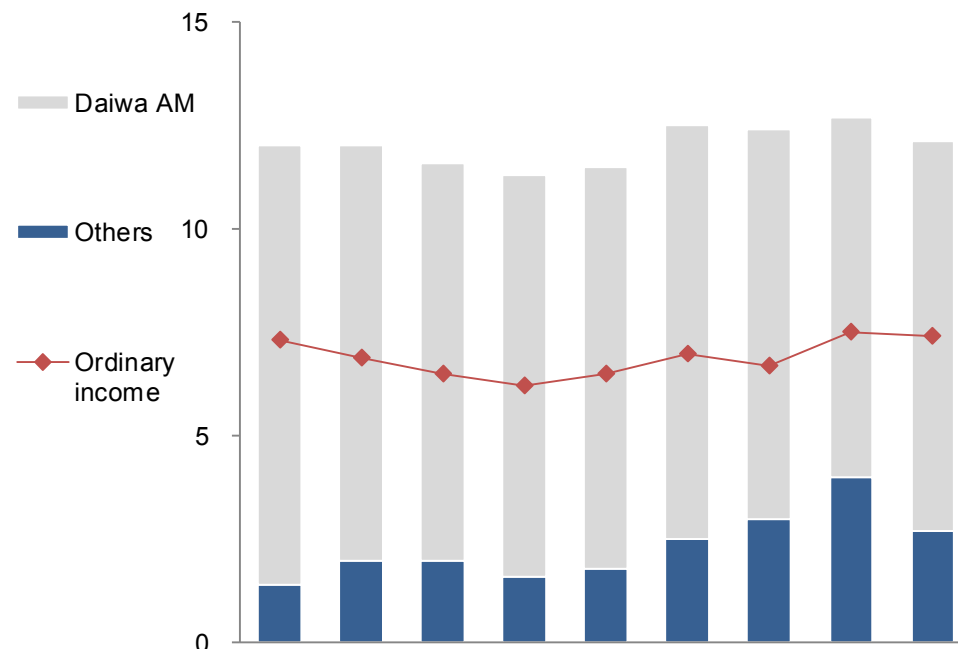
【Daiwa Asset Management】

- Revenues rose as net asset remained inflow and average AUM of stock investment trust increased from a rise in stock market.

【Others】

- AUM of Daiwa Real Estate Asset Management increased.
Revenues decreased compared to the previous quarter when gain by acquisition and disposition of real estates was recognized.

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Daiwa AM	10.6	10.0	9.6	9.7	9.7	10.0	9.4	8.7	9.4
Others	1.4	2.0	2.0	1.6	1.8	2.5	3.0	4.0	2.7
Net operating revenues	12.0	12.1	11.7	11.3	11.6	12.6	12.4	12.7	12.1
Ordinary income	7.3	6.9	6.5	6.2	6.5	7.0	6.7	7.5	7.4

※ 'Others' includes Daiwa Real Estate Asset Management, Samty Residential Investment and Daiwa Fund Consulting.

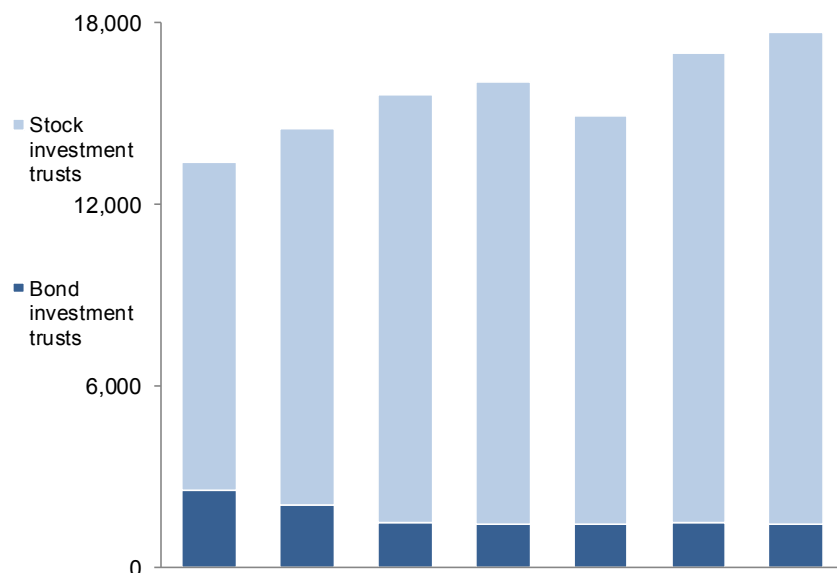
※ Equity in earnings of affiliates is included in non-operating revenues.

Asset Management Division



Assets Under Management and Net Increase

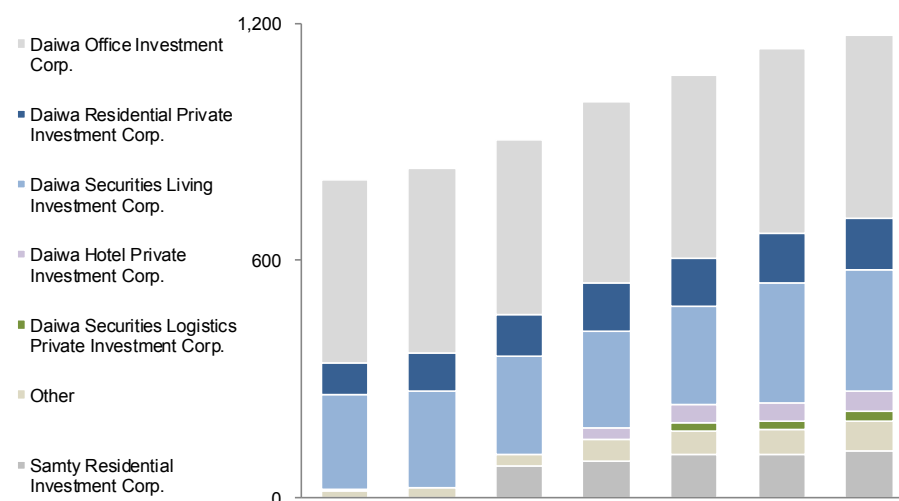
Daiwa Asset Management AUM



¥ Billions	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	
						1Q	2Q
Stock investment trusts	10,840	12,454	14,123	14,616	13,478	15,555	16,261
excl. ETF	7,888	7,805	7,717	7,245	6,063	6,569	6,782
(Net inflow)	(634)	(168)	(302)	(-339)	(52)	(12)	(41)
ETF	2,951	4,648	6,406	7,371	7,414	8,986	9,478
(Net inflow)	(775)	(1,255)	(1,109)	(1,279)	(363)	(550)	(229)
Bond investment trusts	2,563	2,036	1,465	1,396	1,421	1,453	1,435
Total	13,403	14,491	15,588	16,012	14,900	17,008	17,696
Stock investment trust share	14.5%	14.7%	14.3%	14.2%	14.0%	14.2%	14.0%

Real Estate Asset Management Business AUM of Two Companies*

* Daiwa Real Estate Asset Management, Samty Asset Management



¥ Billions	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	
						1Q	2Q
Daiwa Office Investment Corp.	459	469	439	460	463	463	463
Daiwa Residential Private Investment Corp.	82	96	107	118	121	126	132
Daiwa Securities Living Investment Corp.**	238	242	244	245	247	302	303
Daiwa Hotel Private Investment Corp.				29	45	45	54
Daiwa Securities Logistics Private Investment Corp.					20	20	22
Other	19	25	30	53	59	64	76
Total	800	834	822	907	959	1,023	1,052
Samty Residential Investment Corp. (Sub sponsor)			81	93	109	109	118
Total (Including sub sponsor)	800	834	903	1,000	1,069	1,133	1,170

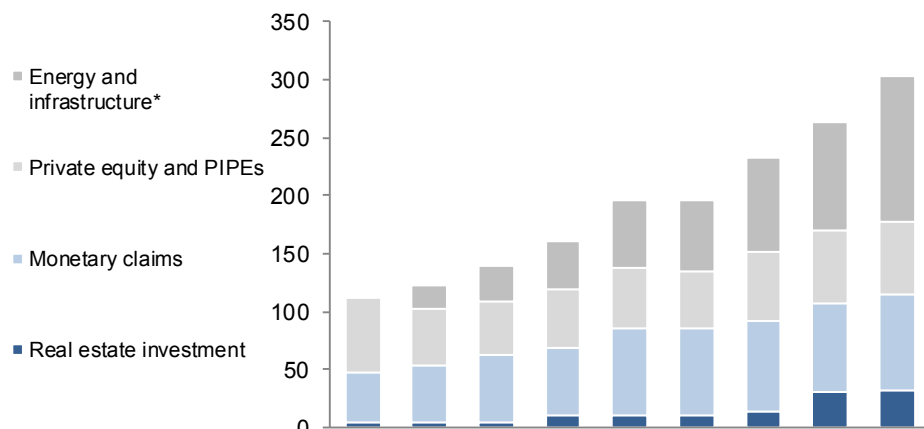
** Japan Rental Housing Investment Inc. merged with Nippon Healthcare Investment Corp. through absorption-type merger and changed its trade name to Daiwa Securities Living Investment Corp. on April 1, 2020. Daiwa Securities Living Investment Corp.'s AUM from FY2015 to FY2019 is a total of the two companies.

Investment Division

(¥ Millions)	FY2020 2Q	% Change vs 1Q/FY20	FY2020 1H	% Change vs 1H/FY19
Net operating revenues	3,645	254.4%	4,674	-
Ordinary income	2,228	19.0x	2,346	-

- In Daiwa PI Partners, several exits from investments in private equity contributed to an increase in revenues.

Principal Investment Value



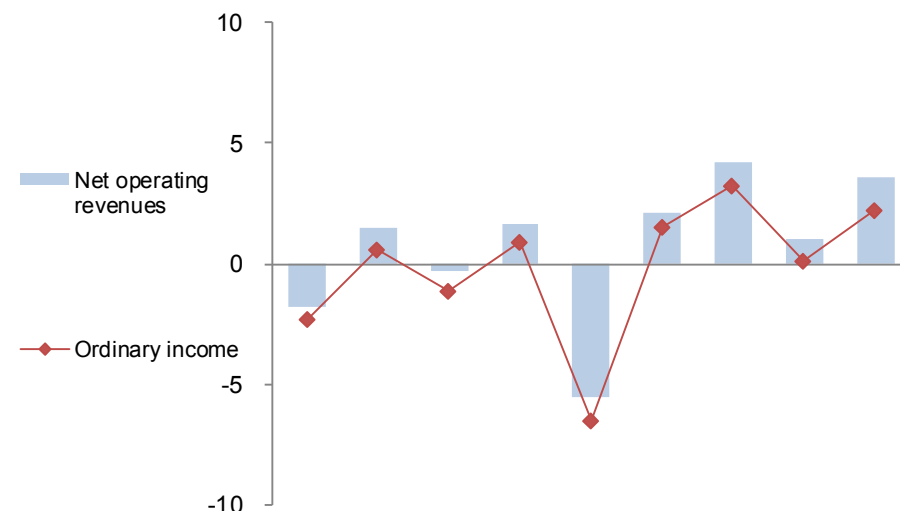
(¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Daiwa PI Partners									
Private equity and PIPEs	64	50	46	50	52	48	61	63	63
Monetary claims	43	49	57	59	75	75	78	77	82
Real estate investment	4	4	5	10	11	11	13	30	32
Daiwa Energy & Infrastructure		20	31	41	58	62	81	93	126
Total	112	124	139	163	198	198	235	265	305

* Energy and infrastructure indicates investment balance of Daiwa Energy & Infrastructure

※ PIPEs: Private Investment in Public Equities

※ All figures are as at the end of each quarter

Net Operating Revenues and Ordinary Income



(¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net operating revenues	-1.8	1.5	-0.3	1.6	-5.5	2.1	4.2	1.0	3.6
Ordinary income	-2.3	0.6	-1.1	0.9	-6.5	1.5	3.2	0.1	2.2

Reference

Daiwa Securities Group Inc.

Breakdown of Commission

(¥ Millions)	FY2019			FY2020		% Change vs 1Q/FY20	% Change vs 2Q/FY19	FY2019	FY2020	% Change vs 1H/FY19	FY2019
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Total commission	64,810	68,448	68,352	57,749	70,809	22.6%	9.3%	129,773	128,559	-0.9%	266,574
Brokerage commission	12,684	13,994	17,406	17,124	16,420	-4.1%	29.4%	25,101	33,544	33.6%	56,503
Underwriting and secondary offering commissions	8,337	9,466	5,081	4,430	14,443	226.0%	73.2%	15,270	18,873	23.6%	29,818
Distribution commission	5,716	5,369	5,816	4,068	4,205	3.4%	-26.4%	12,068	8,274	-31.4%	23,254
Other commission	38,071	39,617	40,047	32,126	35,740	11.2%	-6.1%	77,332	67,866	-12.2%	156,997
<i>Investment advisory and account management fees</i>	7,058	7,175	7,344	6,841	7,100	3.8%	0.6%	13,956	13,941	-0.1%	28,476
<i>Insurance sales commission</i>	317	276	379	104	268	158.0%	-15.4%	680	372	-45.2%	1,336
<i>M&A related commission</i>	5,735	7,528	8,320	2,709	5,222	92.7%	-9.0%	13,059	7,932	-39.3%	28,908
<i>Management fee</i>	17,605	17,985	16,721	15,210	16,431	8.0%	-6.7%	35,373	31,642	-10.5%	70,079
<i>Other</i>	7,353	6,652	7,281	7,260	6,716	-7.5%	-8.7%	14,263	13,976	-2.0%	28,197

Balance Sheet

Daiwa Securities Balance Sheet (September 30, 2020)

(¥ Billions)

Current assets	14,165	(2,312)
Trading products	7,576	(1,749)
Trading securities and other	4,243	(2,102)
Derivatives transactions	3,332	(-352)
Margin transaction assets	139	(27)
Loans on margin transactions	116	(13)
Cash collateral pledged for securities borrowing on margin transactions	22	(13)
Loans secured by securities	3,664	(293)
Short-term guarantee deposits	513	(-82)
Short-term loans receivable	411	(-113)
Non-current assets	124	(-3)
Property, plant and equipment	8	(-0)
Intangible assets	74	(-2)
Total assets	14,289	(2,308)

Current liabilities	12,236	(2,332)
Trading products	4,043	(-220)
Trading securities and other	868	(99)
Derivatives transactions	3,175	(-320)
Margin transaction liabilities	70	(11)
Loans payables secured by securities	5,326	(2,125)
Short-term loans payable	1,469	(303)
Current portion of bonds	165	(15)
Long-term liabilities	1,303	(-24)
Bonds payable	553	(-42)
Long-term loans payable	707	(18)
Total liabilities	13,543	(2,307)
Net assets	746	(1)
Shareholders' equity	744	(0)
Capital stock	100	—
Total liabilities and net assets	14,289	(2,308)

※ Figures in parentheses show changes from March 31, 2020

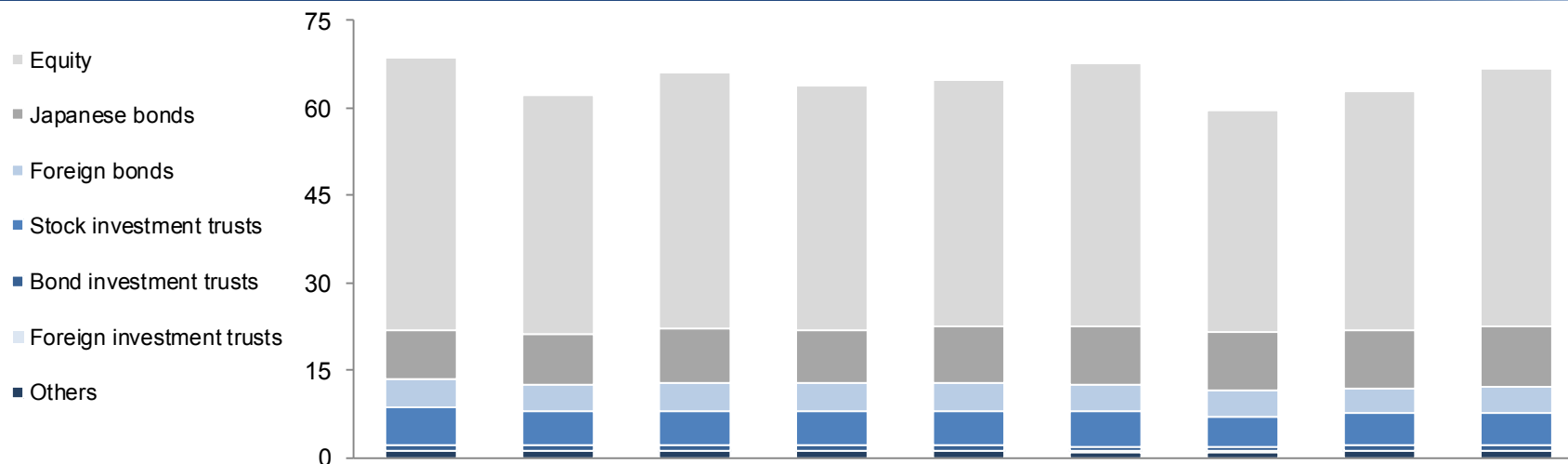
Financial Summary I

(¥ Millions)	FY2019			FY2020		% Change vs 1Q/FY20	% Change vs 2Q/FY19	FY2019	FY2020	% Change vs 1H/FY19	FY2019
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Operating revenues	73,965	78,520	66,653	69,108	72,591	5.0%	-1.9%	153,479	141,700	-7.7%	298,652
Commission received	44,818	44,581	45,374	37,882	46,304	22.2%	3.3%	87,878	84,187	-4.2%	177,833
Brokerage commission	9,214	10,420	12,735	12,687	11,865	-6.5%	28.8%	18,118	24,553	35.5%	41,274
<i>Stock and others</i>	8,955	10,199	11,930	12,012	11,538	-3.9%	28.9%	17,601	23,551	33.8%	39,731
Underwriting and secondary offering commissions	8,052	8,305	5,573	4,403	12,946	194.0%	60.8%	14,165	17,350	22.5%	28,044
<i>Equity</i>	2,767	4,850	2,149	157	8,889	56.3x	221.3%	3,881	9,047	133.1%	10,882
<i>Bond and others</i>	5,285	3,454	3,423	4,245	4,057	-4.4%	-23.2%	10,283	8,302	-19.3%	17,162
Distribution commission	5,665	5,309	5,764	4,026	4,150	3.1%	-26.7%	11,951	8,176	-31.6%	23,025
<i>Investment trust</i>	4,476	4,124	4,314	4,020	4,093	1.8%	-8.6%	9,778	8,113	-17.0%	18,217
Other commissions	21,885	20,545	21,301	16,765	17,341	3.4%	-20.8%	43,641	34,106	-21.8%	85,488
<i>Agency fee and others</i>	6,625	6,632	6,144	5,342	5,854	9.6%	-11.6%	13,393	11,196	-16.4%	26,170
<i>Investment advisory and account management fees</i>	7,058	7,175	7,344	6,841	7,100	3.8%	0.6%	13,956	13,941	-0.1%	28,476
<i>Insurance sales commission</i>	317	276	379	104	268	158.0%	-15.4%	680	372	-45.2%	1,336
<i>M&A related commission</i>	3,533	3,007	3,631	1,336	716	-46.4%	-79.7%	7,184	2,053	-71.4%	13,823
Net trading income/loss	18,744	22,457	11,780	22,537	20,449	-9.3%	9.1%	42,497	42,987	1.2%	76,735
Financial revenues	10,403	11,481	9,498	8,688	5,837	-32.8%	-43.9%	23,103	14,525	-37.1%	44,083
Financial expenses	7,074	8,158	4,427	5,258	2,849	-45.8%	-59.7%	16,194	8,107	-49.9%	28,780
Net operating revenues	66,891	70,361	62,225	63,849	69,742	9.2%	4.3%	137,284	133,592	-2.7%	269,872

Financial Summary II

(¥ Millions)	FY2019			FY2020		% Change vs 1Q/FY20	% Change vs 2Q/FY19	FY2019	FY2020	% Change vs 1H/FY19	FY2019
	2Q	3Q	4Q	1Q	2Q			1H	1H		
SG&A	58,973	60,246	59,873	55,940	58,998	5.5%	0.0%	120,446	114,939	-4.6%	240,566
Trading related expenses	10,552	11,174	11,279	8,159	9,248	13.3%	-12.4%	22,240	17,408	-21.7%	44,694
Personnel expenses	23,282	23,706	23,485	22,626	24,264	7.2%	4.2%	47,902	46,890	-2.1%	95,094
Real estate expenses	6,206	6,226	6,241	6,241	6,413	2.8%	3.3%	12,537	12,655	0.9%	25,006
Office cost	11,740	12,238	11,730	11,436	11,509	0.6%	-2.0%	23,408	22,946	-2.0%	47,377
Depreciation	5,068	4,930	5,053	5,537	5,623	1.6%	10.9%	10,155	11,160	9.9%	20,140
Taxes and dues	1,048	953	906	1,044	1,012	-3.0%	-3.5%	2,057	2,056	-0.0%	3,916
Other	1,073	1,016	1,176	895	926	3.5%	-13.7%	2,143	1,821	-15.0%	4,337
Ordinary income	8,102	10,097	2,534	8,125	10,708	31.8%	32.2%	17,155	18,834	9.8%	29,788
Net income	2,490	6,645	2,060	5,527	7,049	27.5%	183.1%	2,939	12,577	327.9%	11,646
ROE (Annualized)	1.4%	3.6%	1.1%	3.0%	3.8%			0.8%	3.4%		1.5%
Capital adequacy ratio	308.3%	322.7%	326.9%	351.0%	351.3%			308.3%	351.3%		326.9%

Assets under Custody



(¥ Trillions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Equity	46.8	40.8	43.8	41.9	42.5	45.4	38.0	41.0	44.1
Japanese bonds	8.6	8.7	9.3	9.3	9.7	9.8	10.1	10.0	10.5
Foreign bonds	4.6	4.7	4.8	4.7	4.7	4.5	4.3	4.4	4.3
Stock investment trusts	6.6	5.9	6.1	6.0	6.0	6.2	5.2	5.5	5.7
Bond investment trusts	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Foreign investment trusts	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Others	1.1	1.1	1.1	1.1	1.1	1.0	1.0	1.1	1.1
Total	69.0	62.4	66.3	64.2	65.2	68.2	59.8	63.2	67.0
Daiwa Next Bank deposit balance	3.6	3.6	3.6	3.8	4.0	4.2	4.0	3.9	4.0

※ All figures are as at the end of each quarter.

※ ETFs are recorded in 'Equity'.

Number of Accounts and Equity Trading

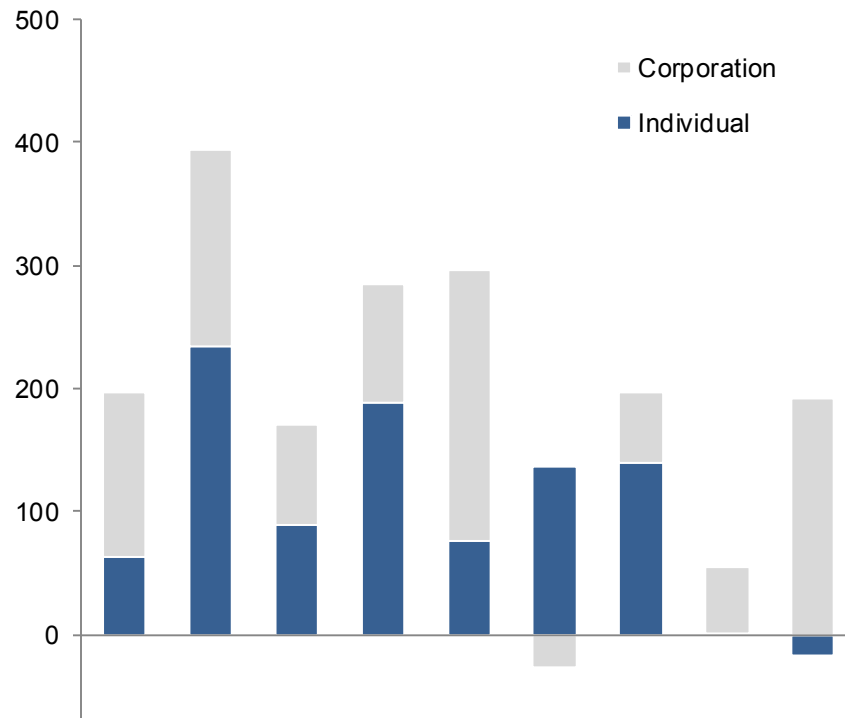
	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Accounts with balance (thousands)	3,001	3,011	3,025	3,021	3,026	3,009	3,022	3,020	3,019
Accounts holding equity (thousands)	1,394	1,438	1,439	1,439	1,438	1,427	1,440	1,445	1,461
Online trading accounts (thousands)	3,264	3,302	3,320	3,329	3,344	3,358	3,373	3,381	3,397
Newly opened accounts (thousands)	37	47	34	29	32	31	35	24	36
NISA accounts* (thousands)	846	855	858	860	863	863	866	867	868
Wrap account service (end of quarter)									
Contract assets under management (¥ billions)	2,162	2,034	2,145	2,171	2,233	2,313	2,087	2,219	2,318
Number of customers (thousands)	141.9	143.7	144.3	144.2	144.3	142.3	141.9	141.0	140.1
Contracts and trading value for individual investors at Daiwa Securities (Japanese Equity)									
Total number of contracts (thousands)	2,400	2,723	2,198	1,985	1,972	2,392	3,131	3,220	2,606
Online out of total (thousands)	2,123	2,408	1,956	1,745	1,739	2,112	2,788	2,917	2,328
Total trading value (¥ billions)	2,302	2,502	1,993	1,868	1,795	2,169	2,564	2,700	2,447
Online out of total (¥ billions)	1,769	1,935	1,528	1,414	1,365	1,686	2,050	2,172	1,899
Foreign equity trading value (Retail)									
Trading value (¥ billions)	422	206	292	354	312	221	300	337	377

* Includes Junior NISA.

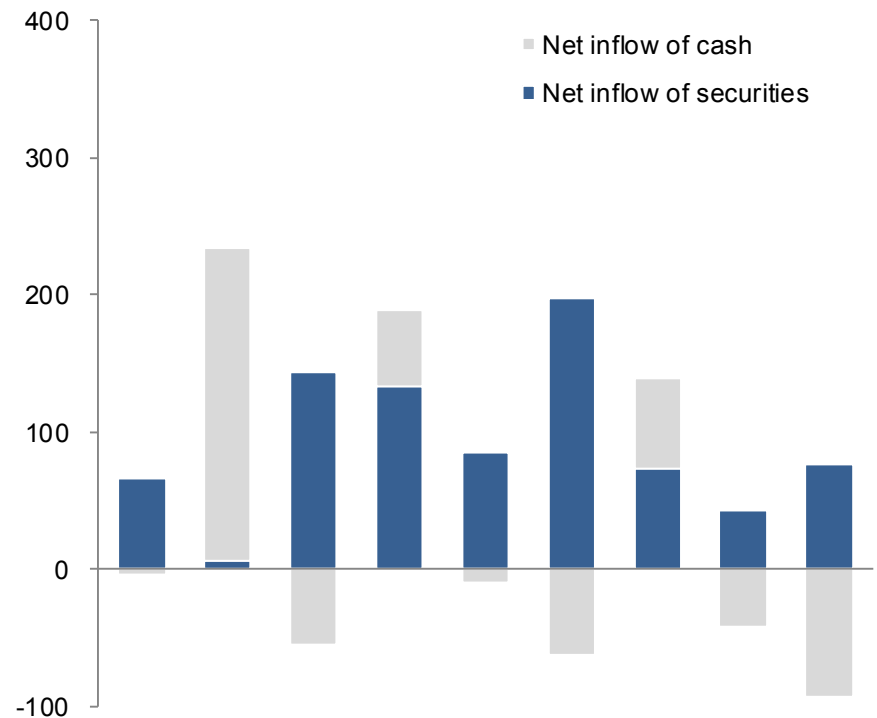
Net Asset Inflow



Retail Division (Daiwa Securities) Net Asset Inflow



Retail Division (Daiwa Securities) Net Asset Inflow (Individuals)



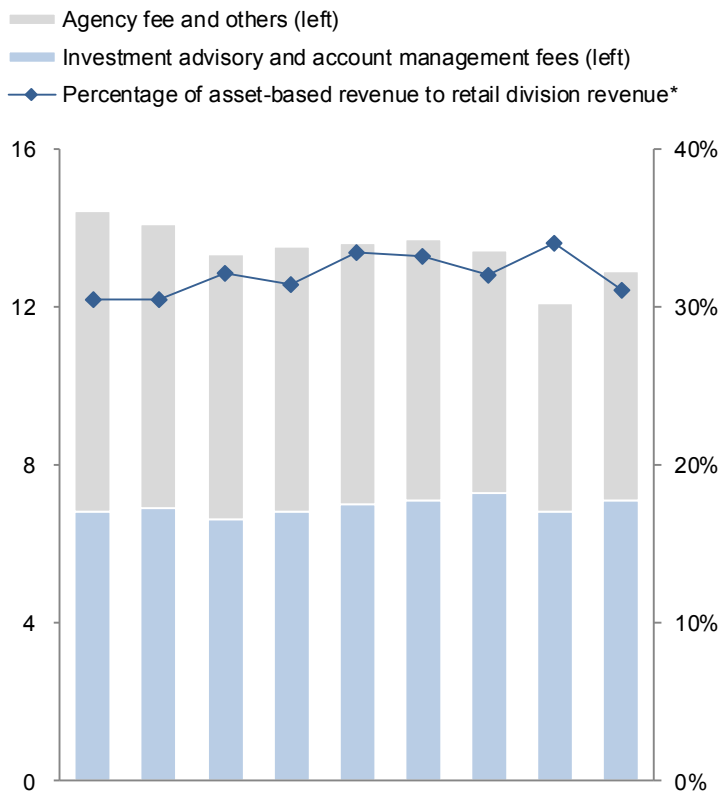
(¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Corporation	133.8	158.8	82.3	96.6	219.1	-26.7	57.7	54.6	192.4
Individual	62.9	234.6	88.9	188.6	76.5	136.6	139.6	0.8	-16.3
Total	196.8	393.4	171.2	285.2	295.7	109.9	197.3	55.4	176.1

(¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Net inflow of cash	-3.0	228.7	-54.1	55.3	-9.2	-61.4	66.2	-41.7	-92.9
Net inflow of securities	65.9	5.8	143.0	133.3	85.8	198.0	73.4	42.6	76.6
Total	62.9	234.6	88.9	188.6	76.5	136.6	139.6	0.8	-16.3

※ Net asset inflow = net inflow of cash and securities

Stock Investment Trusts & Wrap Accounts

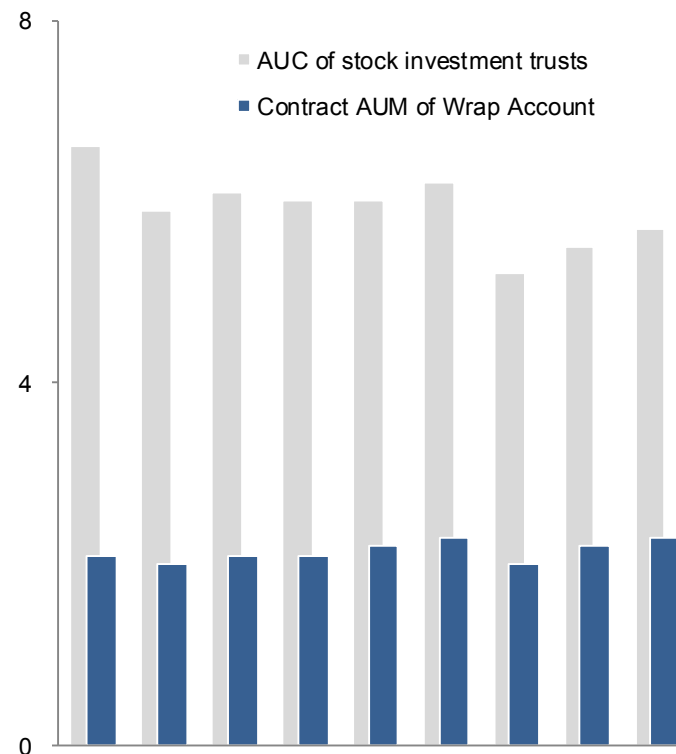
Agency Fee and Management Fee (Daiwa Securities)



(¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Agency fee and others	7.6	7.2	6.7	6.7	6.6	6.6	6.1	5.3	5.8
Investment advisory and account management fees	6.8	6.9	6.6	6.8	7.0	7.1	7.3	6.8	7.1
Percentage of asset-based revenue to retail division revenue*	30%	30%	32%	31%	33%	33%	32%	34%	31%

* Agency fee and management fee of Retail Division / Net Operating Revenue of Retail Division

AUC of Stock Investment Trusts and Contract AUM of Wrap Account



(¥ Trillions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
AUC of stock investment trusts	6.6	5.9	6.1	6.0	6.0	6.2	5.2	5.5	5.7
Contract AUM of Wrap Account	2.1	2.0	2.1	2.1	2.2	2.3	2.0	2.2	2.3

※ Contract AUM of Wrap Account includes Stocks, Bonds and Cash in small part.

League Table

	Primary and secondary equity offerings	IPO	Straight bonds (excl. family bonds)	Agency bonds	Municipal bonds	Samurai bonds (excl. family bonds)	M&A (Number of deals)
FY2020 2Q League Table							
1st	Nomura	SMBC Nikko	Mizuho	Mitsubishi UFJMS	Daiwa	Daiwa	Nomura
	31.4%	39.2%	22.7%	21.9%	18.5%	31.0%	
2nd	Daiwa	Daiwa	Nomura	Daiwa	Mizuho	Nomura	Deloitte
	23.6%	29.9%	20.2%	21.2%	18.2%	25.3%	
3rd	Mizuho	Mizuho	SMBC Nikko	Mizuho	Mitsubishi UFJMS	SMBC Nikko	SMFG
	12.5%	13.3%	18.4%	19.3%	18.0%	22.0%	
4th	SMBC Nikko	Nomura	Daiwa	SMBC Nikko	Nomura	Mitsubishi UFJMS	Morgan Stanley
	12.3%	12.9%	17.7%	18.7%	17.7%	15.0%	
5th	JPMorgan	SBI	Mitsubishi UFJMS	Nomura	SMBC Nikko	Mizuho	PwC
	6.5%	2.6%	17.4%	15.9%	17.4%	6.7%	
							9th
							Daiwa

Source: Compiled by Daiwa Securities based on REFINITIV April 2020 - September 2020

M&A: Mergermarket

Primary and secondary equity, IPO, Straight bonds, Agency bonds, Municipal bonds and Samurai bonds are based on settlement date.

Joint lead manager allotment of Primary and secondary equity, IPO, Straight bonds, Municipal bonds and Agency bonds is based on underwritten amount.

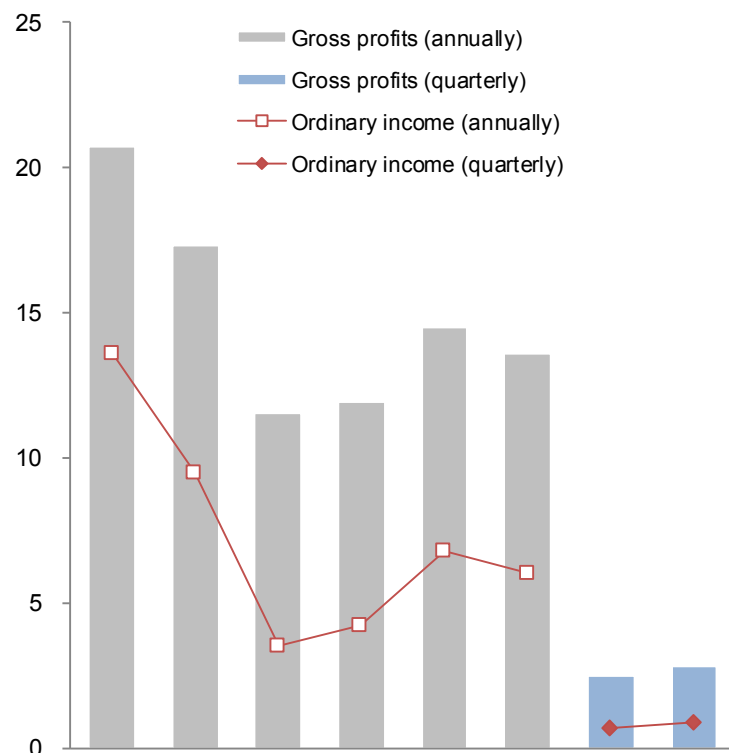
Joint bookrunner allotment of Samurai bonds is divided up evenly among the bookrunners.

Financial Summary

(¥ Millions)	FY2019			FY2020		% Change vs 1Q/FY20	% Change vs 2Q/FY19	FY2019	FY2020	% Change vs 1H/FY19	FY2019
	2Q	3Q	4Q	1Q	2Q			1H	1H		
Operating revenues	17,626	17,972	16,775	15,168	16,472	8.6%	-6.5%	35,385	31,641	-10.6%	70,134
Management fee	17,472	17,825	16,648	15,048	16,377	8.8%	-6.3%	35,076	31,426	-10.4%	69,550
<i>Stock investment trust</i>	17,428	17,786	16,606	15,010	16,336	8.8%	-6.3%	34,984	31,346	-10.4%	69,378
<i>Bond investment trust</i>	44	38	41	38	40	6.1%	-7.6%	91	79	-13.5%	172
Other operating revenues	153	146	127	119	95	-19.8%	-37.6%	309	214	-30.5%	583
SG&A	13,929	14,022	13,463	12,223	12,819	4.9%	-8.0%	28,122	25,043	-10.9%	55,608
Commission paid	7,852	7,897	7,327	6,454	7,054	9.3%	-10.2%	15,895	13,509	-15.0%	31,120
Other SG&A	6,076	6,124	6,135	5,769	5,764	-0.1%	-5.1%	12,226	11,534	-5.7%	24,487
Operating income	3,696	3,949	3,312	2,944	3,653	24.1%	-1.2%	7,263	6,597	-9.2%	14,525
Ordinary income	4,526	4,013	3,532	3,063	3,616	18.0%	-20.1%	8,083	6,679	-17.4%	15,629
Net income	3,330	2,752	2,028	2,138	2,461	15.1%	-26.1%	5,785	4,599	-20.5%	10,566

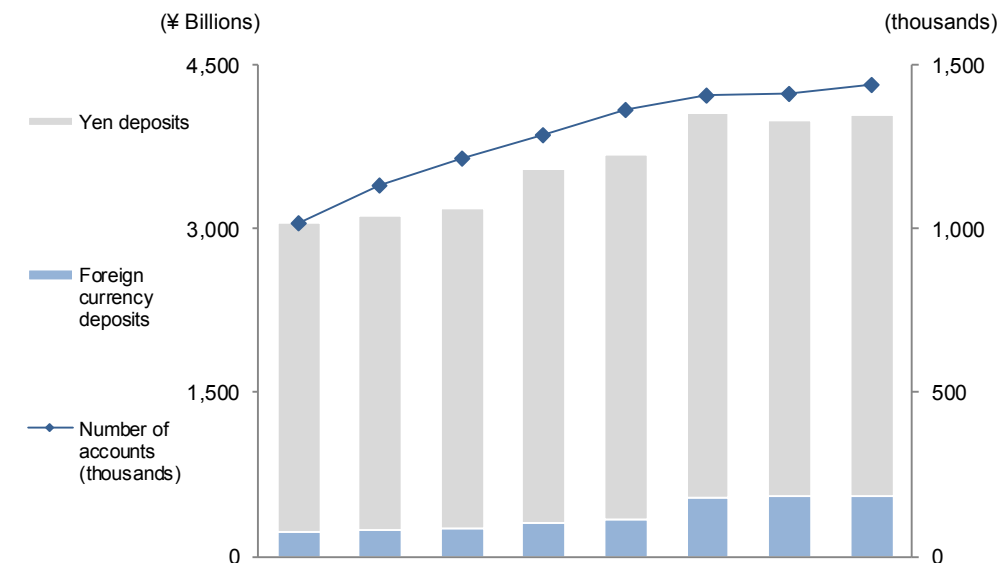
Earnings and Deposit Balance

Gross Profits / Ordinary Income



(¥ Billions)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	
							1Q	2Q
Gross profits	20.7	17.3	11.5	11.9	14.5	13.6	2.5	2.8
Ordinary income	13.6	9.5	3.5	4.2	6.8	6.0	0.7	0.9

Daiwa Next Bank Deposit Balance & Number of Accounts



(¥ Billions)	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	
							1Q	2Q
Ordinary deposits	1,455	1,401	1,653	1,756	1,610	1,873	1,884	1,921
Time deposits	1,528	1,711	1,480	1,746	1,953	2,067	1,992	2,006
Negotiable certificate of deposits / Other	62	8	59	53	115	122	117	112
Deposit balance	3,047	3,121	3,193	3,556	3,678	4,062	3,994	4,041
Foreign currency deposits	225	243	253	300	331	539	546	559
Number of accounts (thousands)	1,018	1,133	1,213	1,289	1,364	1,405	1,412	1,439

※ All figures are as at the end of the period.

Range and Assumption of VaR

- Confidence level: 99% (one-side test)
- Holding period: 1 day
- Adjusted for price correlation between products

¥ Billions)	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
VaR (Quarter end)	1.39	1.76	1.06	1.33	1.42	0.94	1.22	0.99	1.18
High	1.67	1.87	2.29	1.68	1.55	1.61	1.77	1.43	1.43
Low	1.15	0.95	0.86	0.74	1.02	0.94	0.87	0.75	0.90
Average	1.36	1.34	1.45	1.18	1.27	1.28	1.18	1.08	1.11
By risk factors (Quarter end)									
Equity	0.51	0.40	0.29	0.38	0.39	0.34	0.19	0.21	0.33
Interest	1.23	1.68	1.06	1.16	1.35	1.21	1.12	1.25	0.96
Currency	0.17	0.24	0.18	0.21	0.24	0.20	0.20	0.24	0.25
Commodities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Number of Group Employees

	FY2018			FY2019				FY2020	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Total	16,516	16,519	16,419	16,499	16,306	16,078	15,904	16,120	15,972
Overseas	1,820	1,881	1,921	1,960	1,963	1,963	1,984	1,977	1,989

- Number of employees as at the end of each quarter.
- ※ Total figures are the sum of consolidated group companies. Daiwa SB Investments(currently, Sumitomo Mitsui DS Asset Management) was included until 4Q FY2018.
- ※ Overseas figures are the sum of consolidated group companies under Daiwa International Holdings. The figure also includes overseas subsidiaries of Daiwa Asset Management. Number of employees of Montalbán(currently, DC Europe), which has become a consolidated company since 3Q FY2018, is also included. Number of employees of Daiwa Corporate Advisory S.r.l., launched in Italy is also included from 3Q FY2019.
- ※ Figures include temporary staff.

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